
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

June 27, 2005

Date of Report (Date of earliest event reported)

Smith & Wesson Holding Corporation

(Exact Name of Registrant as Specified in Charter)

NEVADA

(State or Other
Jurisdiction of Incorporation)

001-31552

(Commission File Number)

87-0543688

(IRS Employer
Identification No.)

2100 ROOSEVELT AVENUE
SPRINGFIELD, MASSACHUSETTS 01104

(Address of Principal Executive Offices) (Zip Code)

(800) 331-0852

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On June 29, 2005, we issued a press release reaffirming our guidance for the fiscal year ended April 30, 2005 and indicating the expected compensation charge relating to our decision to early adopt the new accounting standard on stock-based compensation (Statement of Financial Accounting Standard No. 123R, Share-Based Payment) using the retroactive restatement method described in SFAS 148, "Accounting for Stock-based Compensation—Transition and Disclosure". SFAS 123R, which modifies SFAS 123, "Accounting for Stock-Based Compensation," requires that all stock-based compensation, including grants of employee stock options, be accounted for using a fair-value based method. SFAS 123R replaces our current method of accounting for equity compensation under APB 25, "Accounting for Stock Issued to Employees".

Item 4.02 (a) Non-Reliance on Previously Issued Financial Statements as a Related Audit Report or Completed Interim Review.

On June 27, 2005, it was determined that certain warrants issued by us in May 2001 required variable rather than fixed accounting treatment under APB 25, our method of accounting for equity compensation prior to our adoption of SFAS 123R, because the warrants were issued for past services by two former employees and contained a net exercise feature. As a result, the financial statements for fiscal 2002, 2003, 2004, and the first three quarters of 2005 should no longer be relied upon. Our Audit Committee has discussed this matter with our independent registered public accounting firm.

We plan to restate our financial statements for fiscal 2002, fiscal 2003, and fiscal 2004 and the first three quarters of fiscal 2005 to reflect the retroactive adoption of SFAS 123R as described above as well as to disclose the impact of variable accounting under APB 25. The restatements will be included in our Form 10-K Report for the year ended April 30, 2005.

Had we not retroactively adopted SFAS 123R, changes in our compensation expense under the variable accounting rules of APB 25, without taking into account tax effects, would have been as follows: an increase of approximately \$13.9 million for fiscal 2002, a decrease of approximately \$9.3 million for fiscal 2003, an increase of approximately \$2.6 million for fiscal 2004, and an increase of approximately \$3.4 million for the first three quarters of fiscal 2005. As noted above, however, we have retroactively adopted SFAS 123R and variable accounting rules under APB 25 will not be applicable. These accounting matters have no impact on the Company's cash position.

The methodology for calculating stock-based compensation expense under SFAS 123R is significantly different than under APB 25. Although we are still calculating the precise effect of the adoption of SFAS 123R, we believe that the early adoption of SFAS 123R will result in a reduction in net income of between \$1.0 million and \$1.2 million for fiscal 2004 and between \$400,000 and \$600,000 for fiscal 2005.

We are furnishing this Report on Form 8-K in connection with the disclosure of information, in the form of the textual information from a press release released on June 28, 2005. The information in this Report on Form 8-K (including the exhibit) is furnished pursuant

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to Items 2.02 and 4.02 (a) and shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section.

We do not have, and expressly disclaim, any obligation to release publicly any updates or any changes in our expectations or any change in events, conditions, or circumstances on which any forward-looking statement is based.

The text included with this Report is available on our website located at www.smith-wesson.com, although the registrant reserves the right to discontinue that availability at any time.

Item 9.01. Financial Statements and Exhibits.

- (a) *Financial Statements of Business Acquired.*
Not applicable.
- (b) *Pro Forma Financial Information.*
Not applicable.
- (c) *Exhibits.*

Exhibit Number	<u>Exhibits</u>
99.1	Press release from Smith & Wesson Holding Corporation, dated June 29, 2005, entitled “Smith & Wesson Reaffirms Guidance for Fiscal 2005.”

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SMITH & WESSON HOLDING CORPORATION

Date: July 1, 2005

By: /s/ John A. Kelly

John A. Kelly

Chief Financial Officer and Treasurer

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99.1 Press release from Smith & Wesson Holding Corporation, dated June 29, 2005, entitled “Smith & Wesson Holding Corporation Reaffirms Guidance for Fiscal 2005.”

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**Smith & Wesson Holding Corporation
Reaffirms Guidance for Fiscal 2005**

*Company Announces Early Adoption of SFAS 123R
for Expensing Stock-Based Compensation*

SPRINGFIELD, Mass., June 29, 2005 — Smith & Wesson Holding Corp. (AMEX: SWB), parent company of Smith & Wesson Corp., the legendary 153-year old global provider of products and services for safety, security, protection and sport, today reaffirmed its guidance for fiscal 2005 revenue and earnings. The Company indicated that its revenue and earnings per share are expected to fall within the high end of the range of its guidance, before taking into account expected adjustments to reflect the early adoption of SFAS 123R.

Specifically, we expect net product sales for fiscal 2005 to be approximately \$124 million, a 5% increase over the \$117.9 million reported for fiscal 2004. Firearms sales for fiscal 2005 are expected to increase by approximately 11% over fiscal 2004 levels. Income for fiscal 2005 is expected to be between \$5.1 million and \$5.9 million, or \$0.14 and \$0.17 per fully diluted share, compared with \$1.4 million, or \$0.04 per fully diluted share, for fiscal 2004, not including adjustments related to APB 25, and the early adoption of SFAS 123R. Although we are still calculating the precise effect of the adoption of SFAS 123R, we believe that the early adoption of SFAS 123R will result in a reduction in net income of between \$1.0 million and \$1.2 million, or between \$.03 and \$.04 per diluted share, for fiscal 2004 and between \$400,000 and \$600,000, or between \$.01 and \$.02 per diluted share, for fiscal 2005.

Barry Monheit, Chairman of the Board of Directors, said, "While the decision to early adopt SFAS 123R will decrease earnings on a historic and prospective basis, as will be the case for most companies, it will have absolutely no impact on our cash position, our strategy for growth, or our positive outlook for the future of our company. It also has no bearing on the tremendous accomplishments made in fiscal 2005 by our new management team, headed by Michael Golden, President and CEO. The Board is extremely satisfied with the Company's operational performance under Mike's leadership for the past six months, and we are equally pleased with the direction he has set for the future."

Michael Golden, President and CEO, said, "One of our key accomplishments in fiscal 2005 was the establishment of a highly seasoned and capable executive management team, comprised of professionals with impressive experience and accomplishments. We expect fiscal 2006 revenue growth in our core business in the range of 10% to 12%, with gross margins continuing to improve over the course of 2006. We plan to support this growth with incremental revenue from new products, including shipments of our award-winning Model 460-XVR revolver, named Handgun of the Year by the Shooting Industry Academy of Excellence. In addition, this summer we will launch our Military & Police (M&P) pistol series. The M&P is a significant new Smith & Wesson product, created by our own craftsmen and carefully designed to capture a sizeable portion of the federal, military and law enforcement markets. In fact, we have tested the M&P 40, the first pistol in the series, with over a dozen separate law enforcement agencies across the country. We are exceptionally pleased with the response."

Accounting Matters

The Company has elected to early adopt the new accounting standard on stock-based compensation (Statement of Financial Accounting Standard No. 123R, Share-Based Payment) for the fiscal year ended April 30, 2005. The Company previously accounted for stock-based compensation under Accounting Principles Board (APB) No. 25. SFAS 123R, which modifies SFAS 123, "Accounting for Stock-Based Compensation," requires that all stock-based compensation, including grants of employee stock options, be accounted for using a fair-value based method. The Company is electing the modified retrospective transition method to all prior years for which SFAS 123 was in effect. SFAS 123R replaces our current method of accounting for equity compensation under APB 25.

If the Company had not retroactively adopted SFAS 123R, the Company would have been required to retroactively apply variable accounting treatment under APB 25, the Company's method of accounting for equity compensation prior to the Company's adoption of SFAS 123R, to account for certain warrants issued in May 2001 because the warrants were issued for past services by two former employees and contained a cashless exercise feature. The Company plans to restate its financial statements for fiscal 2002, fiscal 2003, and fiscal 2004 and the first three quarters of fiscal 2005 to reflect the retroactive adoption of SFAS 123R as well to disclose the impact of variable accounting on the warrants had APB 25 remained applicable. The restatements will be included in the Form 10-K Report for the year ended April 30, 2005.

The Company will file a Form 8-K with the SEC relating to these accounting matters. These accounting matters have no impact on the Company's cash position.

The Company plans to discuss its actual financial results for the fourth quarter and full year ending April 30, 2005 as well as its detailed outlook for fiscal 2006 on a teleconference and web-cast to be held in conjunction with the announcement of those results.

About Smith & Wesson

Smith & Wesson Corp. is one of the world's largest providers of firearms, accessories and services for the global safety, security, protection and sport markets. The company manufactures firearms and handcuffs for law enforcement customers, and is home to America's longest-running firearms training facilities for America's public servants. The company also markets a variety of products including firearm safety/security devices, shooting protective gear, knives, apparel, footwear and other accessory lines. The Company is based in Springfield, Mass., with manufacturing facilities in Springfield and Houlton, Maine. Contact (800) 331-0852 or log on to www.smith-wesson.com.

Safe Harbor Statement

Certain statements contained in this press release may be deemed to be forward-looking statements under federal securities laws, and the Company intends that such forward-looking statements be subject to the safe-harbor created thereby. Such forward-looking statements include statements regarding the Company's anticipated sales, growth rates, earnings and financial performance for the fiscal year ended April 30, 2005 and for the fiscal year ending April 30, 2006; the Company's plans to introduce its M&P pistol series; and the ability of the Model 460-XVR, M&P pistol, or any Smith & Wesson product to capture market share. The Company cautions that these statements are qualified by important factors that could cause actual results to differ materially from those reflected by such forward-looking statements. Such factors include the ability to produce financial results that fall within expected ranges; the Company's strategies; demand for the Company's products; and other risks detailed from time to time in the Company's reports filed with the SEC.

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